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FROM: Adam Blair, Scott Middleton & Tess Ruderman, EBP
DATE: April 27, 2020
RE: Initial Findings from the Nantucket COVID-19 Survey

The following provides a summary of survey responses collected from Nantucket businesses and organizations regarding existing and anticipated impacts of COVID-19 on their operations. Responses were collected using Google Forms, an online survey platform. The survey opened on April 3 and closed on April 15. The survey received 442 total responses, representing an estimated 42% of all establishments on Nantucket.¹

Who responded?

- 88% (391) of responses were from for-profit businesses with activities taking place on Nantucket. 12% (51) of responses were from non-profit organizations.²
- The survey received the most responses from four industries: construction/trades, retail service, food service, and hotel/lodging. These industries accounted for about 60% (263) of responses. Other common industries included healthcare and human services, culture/arts/entertainment, personal services, business-to-business (B2B) services, and education/daycare.
- About 50% (223) of responses represent organizations that have been in operation for 20 years or longer, while 20% (88) of responses represent newer organizations that have been in operation for five years or less.

How many workers were represented?

- Prior to COVID-19, organization employment levels varied widely, ranging from zero (i.e., all volunteers) to over 300. Organizations collectively employed over 2,600 year-round workers. About 63% (279) of organizations had 1-5 employees and 23% (101) had a single full-time employee.
- 63% (280) of organizations typically employ seasonal staff, primarily during the busy summer season. Before COVID-19, this seasonal workforce accounted for an additional 3,400 jobs on the island.
- Of the organizations that regularly employ seasonal workers (280), about 73% (205) typically employ 10 or fewer seasonal workers, 21% (60) employ more than 10 seasonal workers, and 5% (15) employ more than 50 seasonal workers.

¹ According to the 2017 County Business Patterns Survey conducted by the US Census Bureau (the latest version available), there are 1,062 establishments on Nantucket. Establishments include all corporations, sole proprietorships, partnerships, non-profits, and government entities.

² For simplicity, both for-profit businesses and non-profit organizations will hereafter be referred to as “organizations.”

What impacts have already happened?

- Over 91% (408) of organizations reported a loss in revenue or services since the beginning of the current pandemic. Reported revenue losses ranged from \$5,000 to over \$2 million.
- Nearly 60% (267) of organizations have experienced cancellations of reservations, appointments, or contracts. Over 42% (190) of organizations have experienced supply chain disruptions such as canceled or delayed shipments. Many organizations are experiencing combinations of these effects.
- 37% (19) of non-profits surveyed reported a decline in philanthropic giving. Over 76% (39) have had to cancel events and programs.

How are organizations responding?

- About 75% (332) of organizations have either reduced hours/operations (124), temporarily closed/ceased operations (280), or both. Four organizations (0.9%) have already ceased operations permanently.
- 51% (227) of organizations have applied for a business loan or grant.
- 13% (77) of organizations have renegotiated lease or mortgage payments.
- 31% (139) of organizations have reduced wages or reduced hours for workers.
- 56% (248) of organizations reported having to furlough or lay off workers. Those organizations reported an average of 7.9 furloughed or laid off workers, totaling 1,961 workers across all respondents.³
- 20% (90) of organizations surveyed have invested in worker safety (e.g., purchased protective equipment), 13% (57) have invested in remote work capabilities, and 15% (69) have changed or renegotiated with suppliers.

What impacts do organizations anticipate?

- 48% (211) of organizations expect to take on at least \$10,000 in debt. Combining responses yields a high-low range of \$13-43 million in anticipated debt across all organizations.
- Anticipated revenue impacts through the end of June 2020:
 - 89% (393) of respondents expect to lose at least 25% of their revenue
 - 35% (154) of respondents expect to lose more than 75% of their revenue

³ Because some organizations may have already hired seasonal staff before the quarantine began, meaning there could have been more than 2,600 workers employed at the time of the survey, we do not recommend using the total number of furloughed or laid off workers to calculate a furlough/lay-off rate.

- Anticipated revenue impacts in Q3 & Q4 2020:
 - 80% (355) of respondents expect to lose at least 25% of their revenue
 - 12% (55) of respondents expect to lose more than 75% of their revenue
- 46% (194) of respondents felt that their organization did not have adequate cash on hand to handle the anticipated drop in revenue.
- 66% (293) of respondents are planning to or have already applied for federal, state, or local aid as a result of COVID-19. Primary sources of aid mentioned by respondents include the following:
 - Small Business Association (SBA) programs enumerated in the CARE Act stimulus bill, including the Paycheck Protection Program (PPP) and the Economic Injury Disaster Loan (EIDL) Emergency Advance
 - Unemployment benefits for those who are self-employed
- Changes anticipated by organizations in the 60 days (able to select more than one):
 - Reduce hours of operation 34% of respondents
 - Delay seasonal opening date 38%
 - Close/cease operations temporarily 56%
 - Reduce hours for workers 33%
 - Apply for business loan or grant 52%
- Concerns among organizations for the upcoming season (able to select more than one):
 - Paying rent/mortgage 61% of respondents
 - Laying off staff/reducing hours 52%
 - Cash flow 78%
 - Meeting debt obligations 48%

What types of support do organizations need in the next 60 days?

- 61% (271) of organizations indicated that they need support in the next 60 days. These organizations listed the following as the main type of support they need:
 - 68% (183) need financial support including grants, loans, delayed rent payments, and delayed tax payments
 - 19% (51) need the ability to re-open, including ending the moratorium on construction and the trades
 - 10% (26) need clear communication from the Town regarding available forms of support and plans for re-opening
 - 3% (7) need advertising and marketing support
 - 2% (4) need business loss insurance

Note that the percentages above do not sum to 100 due to rounding.